THE MYSORE KHADI AND VILLAGE INDUSTRIES ACT. 1956

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MYSORE ACT No. 7 OF 1957

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THE MYSORE KHADI AND VILLAGE INDUSTRIES ACT, 1956.

(As amended by Act 25 of 1958)

(*Received the assent of the President on the Twenty-first day of February* 1957)

AN ACT TO PROVIDE FOR THE ORGANISING, DEVELOPING AND REGULATING OF KHADI AND VILLAGE INDUSTRIES IN THE STATE OF MYSORE AND TO CONSTITUTE A BOARD TO CARRY OUT THE SAID OBJECT.

WHEREAS it necessary to organise, develop and regulate Khadi and Village Industries in the State of Mysore and to constitute a Board to carry out the said objects;

BE it enacted by the Mysore State Legislature in the Seventh Year of the Republic of India as follows:—

CHAPTER I

1. *Short title, extent, commencement and repeal.*—(1) This Act may be called the Mysore Khadi and Village Industries Act, 1956.

(2) It extends to the whole of the State of Mysore.

(3) It shall come into force in such areas from such dates as the State Government may by notification in the *Mysore Gazette* specify.

(4) On the coming into force of this Act in the Bombay Area, the Bombay Village Industries Act, 1954 (Bombay Act No. XLI of 1954), shall stand repealed and on the coming into force of this Act in the Hyderabad Area, the Hyderabad Khadi and Village Industries Act, 1955 (Hyderabad Act No. X of 1955), shall stand repealed.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context.—

(i) "Board" means the Mysore State Khadi and Village Industries Board constituted under section 4;

(ii) "khadi" means any cloth woven on handlooms in India from cotton, silk or woollen yarn handspun in India, or from a mixture of any two or all of such yarns;

(iii) "prescribed" means prescribed by rules made under this Act;

(iv) "Regulations" means regulations made under this Act;

(v) "village industry" means the khadi industry and any industry specified in the Schedule to this Act.

CHAPTER II

Establishment and Constitution of the Board

3. *Incorporation of the Board.*—(1) With effect from such date as the State Government may, by notification in the *Mysore Gazette* appoint in this behalf, there shall be established for the purposes of this Act, a Board by the name of the Mysore State Khadi and Village Industries Board.

(2) The Board shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name and shall be competent to acquire and hold property both movable and immovable and to contract and do all things necessary for the purposes of this Act.

4. *Constitution of the Board.*—(1) The Board shall consist of such number of members not exceeding fifteen as the State Government may appoint. One of the members shall be appointed by the State Government as the Chairman.

(2) The Chairman, or any other member of the Board may at any time resign his office by submitting his resignation to the State Government:

Provided that the resignation shall not take effect until it is accepted.

(3) The Chairman, and other members shall receive such allowances as may be prescribed and the allowances shall be paid from the funds of the Board.

(4) The term of office of the Chairman and other members of the Board shall be three years from the date of publication of their names in the *Mysore Gazette* and shall include any further period which may elapse between the expiration of the said period of three years and the date of publication in the *Mysore Gazette* of the names of the members of the next succeeding Board.

(5) The Chairman and other members shall be eligible for reappointment.

5. *Disqualification for appointment on the Board.*—A person shall be disqualified for being appointed, or for continuing, as a member of the Board, if he—

(*a*) does not wear khadi ; or

(*b*) holds any office of profit under the Board : or

(*c*) is of unsound mind and stands so declared by a competent court ; or

(*d*) is an undischarged insolvent or has applied for being adjudged an insolvent ; or

(*e*) has been convicted of an offence, which involves, in the opinion of the State Government, moral turpitude ; or

(*f*) has directly or indirectly by himself, by his wife or son or by any partner, any share or interest in any subsisting contract or employment with, by, or on behalf of, the Board ; or

(*g*) is a secretary or manager or other salaried officer of any incorporated company or any co-operative society which has any share or interest in any contract or employment with, by, or on behalf of, the Board :

Provided that a person shall not be disqualified under clauses (*f*) and (*g*), or be deemed to have any share or interest in any contract or employment with, by, or on behalf of, the Board, by reason only of—

(i) his, or of the incorporated company or of a co-operative society of which he is a secretary, manager or other salaried officer, having a share or interest in any newspaper in which any advertisement relating to any affairs of the Board is inserted, or

(ii) his being a share-holder of such a company or society,

if he has disclosed to the State Government the nature and extent of the share held by him from time to time.

6. *Removal or suspension of a member of the Board.*—(1) The State Government may, after such inquiry as may be necessary, remove from office the Chairman or any other member, if he—

(*a*) refuses to act ; or

(*b*) has become incapable of acting ;

(*c*) has abused his position in the Board so as to render his continuance on the Board detrimental to its interest; or

(*d*) fails, without such reason as may in the opinion of the State Government be sufficient, to attend three consecutive meetings of the Board; or

(*e*) ceases to reside in the State of Mysore; or

(*f*) has since his appointment incurred any of the disqualifications specified in section 5; or

(*g*) is otherwise unsuitable to continue on the Board.

(2) No order of removal under sub-section (1) shall be made, unless the member concerned has been given an opportunity to submit his explanation to the State Government:

Provided that a member may be suspended by the State Government pending an enquiry against him.

(3) A member who has been removed under clause (*c*) or (*f*) of sub-section (1) shall not be eligible for appointment to the Board as member or in any other capacity.

7. *Vacancy of Members.*—If a member tenders his resignation in writing to the State Government, and if it is accepted by the State Government, he shall cease to be a member from the date of such acceptance.

8. *Proceedings presumed to be good and valid.*—No act or proceeding of the Board shall be invalidated merely by reason of any vacancy in its membership on account of resignation, death or removal.

9. *Appointment of members of staff of Board and conditions of their service.*—(1) The State Government shall in consultation with the Board, appoint the Secretary to the Board.

(2) The State Government shall from among its officers appoint the Accounts Officer to the Board.

(3) The remuneration, allowances and conditions of service of the Secretary and Accounts Officer shall be such as the State Government may specify, and their remuneration and allowances shall be paid from the funds of the Board.

(4) Subject to such rules as may be prescribed, the Board may appoint such members of the staff as it may consider necessary.

(5) The remuneration, allowances and other conditions of service of the members of the staff of the Board shall be such as may be prescribed.

10. *Appointments of Committees.*—Subject to any rules made under section 31, the Board may from time to time appoint one or more Committees for the purposes of securing efficient discharge of its functions and in particular for the purpose of securing that the said functions are exercised with due regard to the circumstances and requirements of any particular village industry. Such Committees may be appointed for any particular area.

11. *Meeting of the Board.*—The Board shall meet and shall from time to time make arrangements with respect to the date, time, notice, managements and adjournment of its meetings as it thinks fit. Such meeting shall be held at least once in every two months.

12. *Power to make contracts.*—(1) The Board may enter into and perform all such contracts as it may consider necessary or expedient for carrying out any of the purposes of this Act and every contract shall be made on behalf of the Board by the Chairman:

Provided that—

(*a*) no contract involving an expenditure of rupees one lakh and more shall be made without the previous sanction of the State Government,

(*b*) (i) no contract involving an expenditure of rupees ten thousand and more shall, subject to clause (*a*), be made without the previous sanction of the Board,

(ii) no estimate or tender involving an expenditure of rupees ten thousand and more shall, subject to clause (*a*), be sanctioned or accepted without the previous sanction of the Board.

(2) Every contract made by the Chairman on behalf of the Board shall, subject to the provisions of this section, be entered into in such manner and form as may be prescribed.

(3) A contract not executed in the manner provided in this section and the rules made thereunder shall not be binding on the Board.

CHAPTER III

Functions and the Powers of the Board

13. *Functions of the Board.*—(1) It shall be the duty of the Board to organise, develop and regulate village industries and perform such functions as the State Government may prescribe from time to time.

(2) Without prejudice to the generality of the provisions of sub-section (1) the Board shall, subject to such regulations as may be made by it, discharge and perform all or any of the following duties and functions, namely :—

(*a*) to start, encourage, assist and carry on village industries and to carry on trade or business in such industries and in matters incidental to such trade or business ;

(*b*) to render such assistance as may be necessary to any person engaged in any village industry ;

(*c*) to organise and aid co-operative societies for village industries ;

(*d*) to conduct training centres ;

(*e*) (i) to arrange for the manufacture of tools, implements and other equipment required for carrying on village industries ;

(ii) to arrange for the supply of raw materials, tools, implements and other equipment required for village industries ; and

(iii) to arrange for the sale of the products of the said industries ;

(*f*) to arrange for publicity and for popularising of finished products of the said industries by opening stores, shops, emporia or exhibitions ;

(*g*) to undertake and encourage research work in connection with village industries and to carry on such activities as are incidental and conducive to the objects of this Act ;

(*h*) to maintain or assist in the maintenance of institutions for the development of village industries ;

(*i*) to discharge such other duties and to perform such other functions as the State Government may direct for the purpose of carrying out the objects of this Act.

14. *General powers of the Board.*—The Board shall, for the purposes of carrying out its functions under this Act have the following powers :—

(i) to acquire and hold such movable and immovable property as it deems necessary and to lease, sell or otherwise transfer any such property :

Provided that in the case of immovable property the aforesaid powers shall be exercised with the previous sanction of the State Government ;

(ii) to incur expenditure and undertake works in any area in the State for the framing and execution of such scheme as it may consider necessary for the purpose of carrying out the provisions of this Act or as may be entrusted to it by the State Government and [1][the Khadi and Village Industries Commission], subject to the provisions of this Act and the rules made thereunder ;

(iii) to sanction loans, grants and subventions, subject to such rules as may be prescribed.

CHAPTER IV

PREPARATION AND SUBMISSION OF PROGRAMMES

15. *Preparation and submission of annual programme.*—(1) In each year, the Board shall prepare and forward to the State Government a programme of work in such form and before such date as the State Government may determine.

(2) The programme shall contain—

(*a*) such particulars of the scheme which the Board proposes to execute whether in part or in whole during the next year ;

(*b*) particulars of any work or undertaking which the Board proposes to organise during the next year for the purposes of carrying out its functions under this Act ; and

(*c*) such other particulars as may be prescribed.

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1. Substituted by Mysore Act 25 of 1958.

16. *Sanction of programme.*—The State Government may approve and sanction the programme in whole or with such modifications as it deems fit.

17. *Supplementary programme.*—The Board may prepare and forward a supplementary programme for the sanction of the State Government in such form and before such date as the State Government may prescribe and the provisions of section 15 shall apply to such supplementary programme.

CHAPTER V

Finance, Accounts, Audit and Debts

18. *Transfer of property.*—The State Government may transfer to the Board, buildings, land or any other property whether movable or immovable, for use and management by the Board on such conditions as the State Government may deem fit, for the purposes of this Act.

19. *Expenditure and contracts made before the establishment of the Board.*—All debts and expenditure incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Government, in connection with or for the purposes of this Act before and up to the date of the establishment of the Board shall be deemed to have been respectively incurred, entered into or engaged to be done by, with or for the Board, and all suits, and other legal proceedings instituted by or against the State Government in respect hereof shall be deemed to be instituted and continued as such by or against the Board, as the case may be.

20. *Subventions and loans to the Board.*—(1) The Government may from time to time make subventions and grants to the Board for the purposes of this Act on such terms and conditions as the State Government may determine in each case.

(2) The Board may, from time to time, with the previous sanction of the State Government and subject to the provisions of this Act and such conditions as the State Government may determine, borrow any sum required for the purposes of this Act.

21. *Funds of the Board.*—(1) The Board shall have its own fund and all receipts of the Board shall be credited thereto and all payments by the Board shall be met therefrom

(2) The Board may accept grants, subventions, donations and gifts from State and Central Governments or [1][the Khadi and Village Industries Commission] of a local authority or any body or association, whether incorporated or not, or an individual for all or any of the purpose of this Act.

(3) The Board may receive loans from State and Central Government or [1][the Khadi and Village Industries Commission] or a local authority or a Co-operative bank registered under any law governing co-operative societies in the State.

(4) All money belonging to the fund of the Board shall be deposited in such manner as the State Government may, by special or general order, direct.

(5) The accounts of the Board shall be operated upon by such officers jointly or individually as may be authorised by the Board.

22. *Application of fund and property.*—All property, fund and other assets of the Board shall be held and applied by it subject to the provisions and for the purposes of this Act.

23. *Budget.*—The Board shall, on such date as may be fixed by the State Government, prepare and submit to the State Government the budget for the next financial year showing estimated receipts and expenditure on capital and revenue accounts according to the programme.

24. *Sanction of budget.*—The State Government may sanction the budget submitted to it with such modifications as it deems proper.

25. *Supplementary budget.*—The Board may submit a supplementary budget for the sanction of the State Government in such form and before such date as the State Government may prescribe and the provisions of Section 23 shall apply to such supplementary budget.

26. *Annual Report.*—The Board shall prepare and forward to the State Government in such manner as may be prescribed, an annual report within three months from the end of the financial year giving a complete account of its activities during the previous financial year. Every such report shall be laid before each House of the State Legislature as soon as may be after it is received by the State Government.

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1. Substituted by Mysore Act 25 of 1958.

27. *Further report, statistics and returns.*—The Board shall before such date and at such intervals and in such manner as the State Government may from time to time direct, submit to the State Government a report on such matters and such statistics and such returns as the State Government may direct.

28. *Accounts and Audit.*—The accounts of the Board shall be maintained and an annual statement of accounts shall be prepared in such manner as may be prescribed. Such accounts shall be audited by an Auditor appointed by the State Government.

CHAPTER VI

MISCELLANEOUS

29. *Members of the Board and Members of staff of the Board to be public servants.*—Members of the Board and members of the staff of the Board shall be deemed when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (Central Act XLV of 1860).

30. *Protection of action taken under this Act.*—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or purported to be done under this Act.

31. *Rules.*—(1) The State Government may, by notification in the *Mysore Gazette,* make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers such rules may provide or all or any of the following matters, namely :—

(*a*) the allowances of members of the Board under section 4;

(*b*) the manner and form in which contracts shall be entered into under section 12;

(*c*) the functions of the Board under section 13;

(*d*) the other particulars of the programme under section 15;

(*e*) the form in which and the date before which the supplementary programme shall be submitted under section 17;

(*f*) the form in which and the date before which the supplementary budget shall be submitted under section 25 ;

(*g*) the manner in which the annual report shall be prepared and forwarded to the State Government under section 26 ;

(*h*) the manner of maintenance of accounts and preparation of annual statement of accounts under section 28 ;

(*i*) remuneration, allowances and other conditions of service of members of the staff of the Board and the functions of the Secretary and Accounts Officer of the Board ;

(*j*) any other matter which is or may be prescribed under this Act.

32. *Regulations.*—(1) The Board may, with the previous sanction of the State Government, make regulations by notification in the *Mysore Gazette,* consistent with this Act and the rules made thereunder.

(2) In particular and without prejudice to the generality of the foregoing power the Board may make regulations providing for :—

(*a*) the procedure and disposal of its business ;

(*b*) functions and duties of the members of the staff of the Board ;

(*c*) functions of the committees and the procedure to be followed by such committees in the discharge of their functions ;

(*d*) conditions subject to which the Board may discharge or perform duties under sub-section (2) of section 13.

33. *Amendment of Schedule.*—(1) The State Government may, by notification in the *Mysore Gazette,* modify the Schedule to this Act by addition thereto or omission therefrom of any industry.

(2) Every notification under sub-section (1) shall be laid as soon as may be after it is issued before each House of the State Legislature while it is in session, for a total period of one month which may be comprised in one session or in two or more sessions and if before the expiry of that period, either House of the State Legislature makes any modification in the notification or directs that the notification shall not have effect and if the modification or direction

is agreed to by the other House, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be.

34. *Saving*.—Nothing in this Act shall be deemed to apply to any industry declared to be scheduled industry under the Industries (Development and Regulation) Act, 1951 (Central Act LXV of 1951) or to affect any of the provisions of the said Act.

35. *Amendment of certain Acts*.—(1) At the end of sub-section (1) of section 5 of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1922), the following proviso shall be added, namely :—

"Provided that aid shall not be given under this Act to any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956, and for which industry assistance is provided for by the All-India Khadi and Village Industries Board.".

(2) At the end of sub-section (1) of section 6 of the Mysore State Aid to Industries Act, 1951 (Mysore Act XX of 1951), the following proviso shall be added, namely :—

"Provided further that aid shall not be given under this Act to any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956 and for which industry assistance is provided for by the All-India Khadi and Village Industries Board.".

(3) At the end of sub-section (1) of section 6 of the Hyderabad State Aid to (Small Scale and Cottage) Industries Act, 1956 (Hyderabad Act VII of 1956), the following proviso shall be added namely :—

"Provided further that aid shall not be given under this Act to any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956 and for which industry assistance is provided for by the All-India Khadi and Village Industries Board."

SCHEDULE

[*See* section 2 (v).]

Village Industries

1. Bamboo Industry.
2. Bee-keeping.
3. Blacksmithy.
4. Carpentry.
5. Cottage Leather industry including tanning bark industry.
6. Cottage Oil industry.
7. Cottage Manufacture of Matches.
8. Fibre industry.
9. Gur and Khandasari.
10. Handmade paper.
11. Hand operated and bullock driven chakkis.
12. Hand pounding of rice.
13. Palm Gur.
14. Pottery.
15. Soapmaking with non-edible oils.